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July 31, 1957

MEMORANDUM FOR THE CHAIRMAN, EDAC WORKING GROUP III

FROM: Department of Defense Member

SUBJECT: Proposal for NATO Review of Trade Controls

Problem:

To develop a position on the JCS proposal for introducing the trade control question into the North Atlantic Council "to insure that the strategic and security aspects of this vital Western cold war instrument are accorded proper emphasis vis-a-vis economic and commercial considerations."

Discussion:

Inquiries were addressed to USRO and to Embassies London and Tokyo, soliciting their views as to the feasibility of asking NATO for a review of the trade control question.

Replies now received from all three sources do not support the approach to NATO, at this time, in terms of the outgoing request for views. USRO is of the opinion that the North Atlantic Council (NAC) could handle such a question even though Far Eastern aspects are involved. All the replies, however, express doubt that other PC's would favor the proposal, largely because they would "suspect it as a US maneuver to achieve over-all tightening of controls." Also there is the possibility that the request was interpreted as involving a more extensive review by NATO than the JCS proposal intended.

It should be made clear, in the first place, that the purpose of the proposal was not to achieve a "tightening" of controls in terms of what has recently been lost, but to achieve effective collective arrangements in the field of trade controls, in which the security aspects are accorded proper emphasis and US unilateral controls experience less frustration. In the second place, the request did not envision an extensive review of the program by NATO, but desired a judgment by NATO, as the body having the primary interest in the security of a most significant part of the free world, of the impact on or contribution of the economic defense program to free world security arrangements.

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Conclusion:

A. It is the position of the Department of Defense that the U.S. Government should ask the North Atlantic Council, in its political and economic reports:

1. To take note of the fact that there exists a multilateral and unilateral trade control program, developed as part of the larger system of military and political alliances, with the objective of retarding the growth of the war potential of the Sino-Soviet bloc.

2. To give its consideration and advice on appropriate economic security measures which would have an impact on the Sino-Soviet bloc and would support the objectives of NATO.

B. It is further concluded that such NATO Reports and Studies as are applicable to the trade control problem should be given appropriate consideration in the CQ/COCOM forum.

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